A REVIEW OF CREATIVE WORKSPACE PROVISION IN URBAN SOUTH HAMPSHIRE AND HAMPSHIRE

Commissioned by
Quality Place Delivery Panel, Partnership for Urban South Hampshire
Creative Industries Theme Group, Hampshire Economic Partnership

David Powell Associates Ltd
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About the client

PUSH (Partnership for Urban South Hampshire) and Hampshire Economic Partnership (HEP) commissioned this review, through PUSH's Quality Place Delivery Panel and HEP's Creative Industries Theme Group in the summer of 2010 as part of their work to develop a Creative Industries Framework. The review has been steered by Charles Freeman (PUSH), Evelyn Thurlby (HEP) and Daniel Crowe (A Space, Southampton).

About the brief

This study will inform the future work of the PUSH Quality Place Delivery Panel in relation to creative workspace provision and aims to:

- Identify the extent to which existing, and planned workspace provision meets the needs of creative businesses.
- Investigate the extent to which lack of suitable workspace provision is constraining growth segments of the creative sector, and suggest the ways in which stakeholders could intervene to reduce these constraints if they exist.
- Examine the role of creative workspaces in the retention and nurturing of creative talent, including recent graduates.
- Review the need to grow creative communities in South Hampshire, which could drive the cultural regeneration elements of the Place Shaping Agenda and provide towns and cities with a greater creative vibe, and suggest ways in which PUSH could facilitate the growth of these communities.
- Explore the need for the stakeholders in South Hampshire to work together on a creative workspace agenda and outline the advantages and disadvantages in establishing a more formalised network of providers.

About the authors

David Powell Associates Ltd (DPA www.dpa-ltd.co.uk) is a research and project development company which focuses on the creative and cultural economy, and the wider ecology required to integrate creative business and cultural practice into place making. We help deliver change and improvement in places where creative businesses, artists and cultural producers can contribute to stronger communities and to local and regional prosperity. DPA's Low Carbon Culture programme is being tested in 2010.

DPA was the author of SEEDA's baseline research on the creative economy (2003) and more recent studies on workspace and studio provision in the London Olympic boroughs (2008), culture and regeneration in coastal towns (2009) and the creative and cultural economy in Oxfordshire (2009).

1. Hampshire's creative industries – context and definitions

1.1 Context for the research

1.1: Successful and aspiring cities and regions across the UK, in Europe and elsewhere in the world are continuing to invest heavily in the contributions which the creative and cultural sector make to local prosperity and quality of life. In the South East the evidence for this has been set out over the last 10 years for councils, SEEDA and others in a series of local and regional reports which point to the scale and scope of this activity.

1.2: Recent evidence supports the 2003 findings by DPA for SEEDA and others[1] that creative and cultural business activity generated in the South East and specifically within the Urban South Hampshire sub region, and the impact of a substantial employed and self employed workforce with creative and cultural skills is substantial in its own terms, but also bigger than many agencies acknowledge.

1.3: PUSH (Partnership for Urban South Hampshire) and the Hampshire Economic Partnership (HEP) have developed the brief for this commission understanding that the following conditions are likely to remain in place:

- there will be continued growth in creative industries economy, nationally and in South Hampshire;
- there will be a continuing output of creative graduates from the Urban South Hampshire and Hampshire based higher education institutions (HEIs);
- lack of appropriate workspace both constrains the growth of the sub regional creative economy and discourages recent graduate and other start-ups from staying in the Urban South Hampshire/Hampshire area.

1.4: The scope of the project did not allow for any substantive research on sectoral growth and contribution nor on the flow of graduate talent from local HEIs. The report's recommendations for intervention (Section 6) list a number of research tasks which might seek to know more about these crucial demand-side factors and related items.

1.5: The report provides information about workspace which is targeted particularly at smaller creative businesses and cultural practitioners in the PUSH area and across Hampshire as a whole. It identifies the place of such workspace in the wider context of sustaining cultural and creative business. This forms an important part of the knowledge and innovation economy which is such a high priority in Urban South Hampshire and across the county.

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[1] *South East England Creative and Cultural Industries*, DPA for SEEDA and others 2003

1.6: The report sets out a number of interventions which PUSH, HEP and partners in the private and not for profit and HE sector might take forward.

1.2 Some definitions

1.7: *Cultural and creative industries (CCI)* is the inclusive, short-hand and widely used term adopted in this report to describe the organisations, businesses, practitioners and the wide range of cultural and creative practices which are the subject of this study.[2] This embraces commercial and not for profit practice. Some of this activity attracts public investment and other funding and much does not. It includes museums and media companies, architects and archives, film makers and festivals, publishers and public art.

1.8: In assessing the economic dimensions of the sector, the research works to the DCMS definition of the "creative sector" - businesses, enterprises and practices which are part of the following industry sub-sectors. This is broadly similar to the definitions used in recent PUSH and SEEDA research into the sector, summarised below.

- Advertising
- Architecture
- Art and Antiques
- Computer Games, Software and Electronic Publishing
- Fashion
- Museums and other Cultural Facilities
- Music & the Visual and Performing Arts; Publishing
- Radio and Television and
- Video, Film and Photography.

1.9: Cultural tourism and heritage, festivals, museums and galleries, community arts organisations, individual artists and crafts people are therefore included within the definition that PUSH has adopted. Many of the activities carried out by businesses and organisations in the cultural and creative sector contribute to the richness of the offer which Urban South Hampshire and the rest of the county makes to domestic and international visitors. The research scope of this study excludes both the visitor and tourism and the sports sectors.

[2] This includes what DCMS and others variously describe as the creative sector, cultural and creative industries (or vice versa) etc.

2. Hampshire's creative industries and their contribution to prosperity and place

2.1 The creative and cultural economy in the sub region

2.1: PUSH has a creative and cultural sector which is about the same size as that of Birmingham or of Brighton and Hove but with little of its visibility and civic acknowledgement.

2.2: The following section identifies some of the headlines from recent research where this bears on the question of the potential growth and change in demand for creative and cultural workspace over the next few years. More detail is given Appendix 4.

Scale and spread

2.3: PUSH recently commissioned research from the Centre for Urban and Regional Studies[3] on the substance of and growth prospects for the creative and cultural sector in urban south Hampshire. Their work identified

- around 4,635 creative firms in the PUSH area and 7,409 creative firms in the ten PUSH districts in 2008
- these creative firms accounted for 28,405 creative jobs in the PUSH area and 41,509 in the totality of the PUSH districts
- creative industries have increased both in terms of firms (+13%) and jobs in the PUSH districts (20%) These increases are above the regional and national averages

2.4: DTZ's recent work on PUSH's Draft Economic Development Strategy makes a number of points which may impact of the supply and demand of workspace for creative businesses in the PUSH area and Hampshire more widely.

- Across PUSH, as a result of the recession it is projected that average annual GVA growth 2006-26 will be only 2.0% per annum compared to the current PUSH aspiration in excess of 3.0% over the long term
- From 2011-26, excluding the recession period, the rate is 2.5% p.a. still below target).[4]

Hidden creative and cultural sector employment

2.5: In addition to all of the businesses identified from national data[5], there are:

- nearly as many creative and cultural jobs in other economic sectors occupied by people with creative and cultural skills as in the CCI sector itself[6]
- around 50% of all companies below the VAT threshold[7]

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[3] Briefing Note – Creative Industries in The Partnership For Urban South Hampshire (Push) Area, Centre for Urban and Regional Studies, University of Birmingham April 2010

[4] PUSH Economic Development Evidence Base and Strategy Refresh, DTZ Draft Narrative Paper for Members Workshop, 25th May 2010

[5] ONS, the basis of the Experian and CURS reports

[6] *Beyond the creative industries: Mapping the creative economy in the United Kingdom,* NESTA, London Higgs P. Cunningham S. and Bakhshi H. (2008)

2.6: Self employment in the creative industries is around 27% - double the UK economy as a whole[8]. The sector also experiences high levels of part-time work and freelance activity

2.7: All of this has particular resonance for the current workspace review research because:

- significant numbers of people in parts of the creative and cultural economy (visual artists, designer-makers, performers and others) operate at low levels of net income
- they make an invaluable contribution to local prosperity, sense of place, local reputation and the quality of life in the wider community
- this contribution is unfortunately undercounted and often undervalued
- the brief identifies the retention of creative graduates in the sub region
- this cohort, year by year, will include those who may experience or choose self employment, part-time work and/or freelance activity
- such graduate and other start-ups will predominantly consist of micro-businesses below the VAT threshold

Recovery from recession

2.8: Experian, reporting to SEEDA[9] earlier in 2010, set this in the wider context of the whole of the South East, looking at the importance of the creative and cultural sectors enterprise base (numbers of companies and employees). It reviewed the health of the sector in the context of recovery from recession stating that Experian's "*health check analysis indicates that the creative industries are in a positive position as the nation emerges from recession.*"

2.9: The creative industries have been hit harder than other sectors in the South East economy. However, the SE sector is recovering better than the GB sector as a whole with a faster recovery in terms of employment expected.

2.10: Experian believes this growth will be underpinned by several key creative sub-sectors. The fashion sector (small as it is in overall terms) and software, computer games and electronic publishing (a major presence and growth sector across the rest of the South East) will exceed the output growth rate of the sector as a whole for the period 2010-2020.

Contributing to city growth and the knowledge intensive economy

2.11: The role of the creative sector and its workspace requirements is closely implicated in the future prosperity of the area. The creative sector can help drive and deliver the economic strategy and inward investment strategies, helping to mitigate the effects of the recession and meet sub regional growth targets.

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[7] The Small Business Service estimates there are 4.3million enterprises in the UK, and approximately 2.2million (51%) of non-VAT enterprises in the UK economy www.sbs.gov.uk/smes

[8] *Beyond the creative industries: Mapping the creative economy in the United Kingdom* as above

[9] *Creative Industries in the South East 2010,* Experian, 2010

2.12: A vibrant creative and cultural economy brings a range of quantifiable benefits to the area:

- driving up competitiveness, innovation, creativity across sectors
- increasing and deepening the skills base and the labour market
- consolidating the knowledge intensity of the economy
- adding diversification to the business mix

2.13: This has potential consequences for the current review of PUSH's Economic Strategy[10]. As in many parts of the UK, some key city and urban areas in Urban South Hampshire are underperforming. Encouraging this sector is one effective way to encourage city improvement. The creative and cultural sector is largely an urban phenomenon and makes significant contributions to the local and sub regional economy and its sense of place.

2.14: For example, Urban South Hampshire under-performs on higher skilled jobs and has low rates of business start-ups. Many of the businesses which make up the creative sector rely on higher level skills and qualifications[11]. More creative businesses locating within city and urban areas will help strengthen PUSH's occupation profile.

2.15: PUSH is proposing big job growth targets: cultural and creative businesses historically have shown high levels of start-ups and self starting activity, often in the absence of effective state support. Small numbers of creative businesses have over the last ten years delivered much of the growth in GVA and employment. It should be a priority to attract and retain these "gazelles".

2.16: PUSH is looking to encourage companies and sectors which will contribute to higher levels of growth in the area's GVA. Parts of the creative and cultural sector are integral to the wider knowledge based economy, to innovation, technology and the wider business community.

2.17: Through this cross fertilisation, creative skills, inventiveness and enterprise drive innovation and product differentiation in science, technology, health, maritime and other GVA sectors.

2.18: The retention of graduates in city and urban areas will also support the city growth entrepreneurship agenda. Given, for example, that Southampton Solent is the fourth largest producer of creative subject area graduates in the UK (and therefore possibly outside South East Asia and China) Urban South Hampshire is in a privileged position, but one which requires leadership, strategy and coordinated action to benefit from.

Contributing to place making

2.19: Cultural and creative businesses can also enhance quality of place in business districts, town centres and smaller communities. They are an integral part of the process of making places special, and resisting what

[10] http://www.push.gov.uk/work/economic-development/economic-development-strategy/contributetosouthhampshire.htm

[11] According to Skillset 56% of the creative media workforce is educated to degree level and above. In other sub sectors, 46% is educated to Level 4 or above. Appendix 4 provides detail and sources.

may seem to be an inexorable drift towards clone towns and bland and indistinguishable high street:

- making places more distinctive and therefore more 'investable'
- bringing variety and diversity to the visitor economy
- adding value and animating public spaces
- adding diversification to the business mix

2.20: Areas and neighbourhoods where creative and cultural businesses and practices are found in numbers (whether or not designated as creative or cultural quarters) have a further economic value by:

- improving the quality of the food and drink and evening economy
- enhancing retail character and diversity
- making places safer/inviting etc
- consolidating the cultural tourism offer

2.21: Alongside this, the creative and cultural sector has a symbiotic relationship with higher education. In summary, this consists of:

- a flow of creative, analytical and entrepreneurial talent from HEIs
- a critical mass of embedded research and knowledge
- established knowledge transfer, innovation and spin off protocols
- support structures to enable alumnus new starts and more established spin offs to start, flourish and grow
- institutional weight and cultural vibrancy in the places they are based
- student recruitment and retention is significantly assisted by the cultural vibrancy generated by students and recent graduates

Some local dimensions of this are set out in Section 3 below.

Case study 1: Workspace making places better

Paintworks, Bristol:

Bringing together experience, learning and belief

Paintworks[12] is the highly successful regeneration of a 12 acre, out of town centre, industrial site along the banks of the River Avon. The particular expertise of the developers Verve Properties is in finding new uses for old buildings and developing less attractive sites. Their market is the independent sector.

The approach at Paintworks has successfully preserved and restored many of the original industrial buildings in a mixed use development targeted at creative business. It is not in an obvious location and is relatively isolated, a mile out of the town centre, divided by a high hill and bounded by road and river. But it has grown to be a successful community with high levels of business occupancy and enjoying some of Bristol's lowest crime statistics. It is a place of positive choice.

Phase 1, completed in 2006, brought a variety of studio, offices, live-work and residential units onto the market, based around the restoration of an area of cobbled streets, arcades and courtyards, with a cultural 'Hub' at its centre comprising performance, gallery, social spaces. The Hub provides vital glue, put in place early and encouraging tenants to stick.

Phase 2, completed in July 2007 added a landmark art deco building and factory conversion providing additional studios and offices. The third phase delivers a new build development on a 5 acres site to include a business centre, studios, offices, workshops, residential, cafes and bars.

Tenants include architects, designers, TV production, new media, publishing, dance, music production, photography and other non creative service based business. Paintworks offers, events space, studios, office and desk space for temporary hire and longer term lets.

Verve's interest in the creative sector developed out of the desire to accommodate the small scale independent business sector and responded to the needs of those who turned up. Verve noticed that small companies look to others to meet a variety of social, technical and practical needs. They responded by designing in opportunities for social and community 'inter-reaction'. Their adjustments have resulted in developments with strong appeal to the creative sector.

Ashley Nicholson who led the Paintworks development says, 'The skill is in noticing and responding to the occupiers' needs.' He sees Paintworks as an exemplar, 'I wanted to provide an example that planners elsewhere can use to demonstrate that things can be done differently, to prove that

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[12] www.paintworksbristol.co.uk, www.verveproperties.co.uk

successful mixed use development can be delivered organically, by applying knowledge and focusing on end user satisfaction.'

He is proud of the continuing 100% occupancy levels. 'There has never been any conventional marketing here. We sold it to the 'underground' and they sold it to themselves.' It is a passionate and personal process and closely tuned into its customer base. 'It's like giving good parties. We want to create the circumstances where people wouldn't think of leaving.'

'Paintworks brought together experience, learning and belief. It required a very clear vision, experience, a degree of arrogance and completely focused and blinkered determination.'

3 Universities, graduates and retention.

3.1 Universities and regeneration

3.1: Universities make a wide range of contributions to the towns, cities and regions in which they are established. [13][14]Their role is recognised in economic, social and cultural development. They are major investors, employers and place makers. The provision of cultural assets and people is a substantial contribution to civic life and the quality of their towns and cities. They contribute substantially to local and regional intellectual and cultural life[15]. They attract creative and related talent into their cities and regions.

3.2: HEIs feed into the local, regional and national business economy, through research, innovation and knowledge transfer, and as an extension to the successful businesses established by them and around them. Through all of this they build reputation and form an essential part of cities' brands. In so doing, they depend on the complementary roles of the public and private sector.

3.3: Universities which are strong in creative and related subjects make a particular set of contributions to prosperity, place and reputation. One of the particular contributions made by the HEI sector in South Hampshire is its continuous and substantial development of young creative talent.

3.2 PUSH generating a major flow of young talent

3.4: Within Urban South Hampshire and Hampshire, there is a growing reputation as a substantial generator of young creative and cultural talent. Four HEIs – Portsmouth Solent, Southampton, Winchester – and their immediate neighbours in Bournemouth and Chichester produce around 7,000 graduates in creative disciplines each year.

3.5: Southampton Solent is the fourth largest generator of creative subject graduates in the UK (3,600 graduates in 2007) fourth in a list headed by the University of the Arts London, University of the Creative Arts and Middlesex University. [16]

3.6: There appears to be no comprehensive understanding of where the 7,000 graduates go after they leave their universities. In the context of

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[13] See as a summary of this, and containing some further references, *Higher Education & the Creative City* Faggian A and Comunian R, University of Southampton 2010 (http://nuke.creative-campus.org.uk)

[14] See Appendix 6 for an excerpt from *South East Coastal Towns: Economic Challenges and Cultural Regeneration*, Powell, D and Gray, F, DPA Creative Foundation, SEEDA and others 2009 http://www.seeda.co.uk/_publications/Coastal_report_Nov09_dpa.pdf

[15] See for example DPA's report *Cultural Footprint* Review. A cultural audit of the Universities at Canterbury at www.dpa-ltd.co.uk/documents/canterbury_cfr.pdf

[16] See also *The Way Forward Supporting the Creative Industries and New Artists in Southampton and the wider PUSH sub region A Position Paper* Mick Smith, produced for a space April 2009

the shape of occupations in the CCI sector and the wider economy, these graduates might be expected, in South Hampshire, to propel themselves to a range of destinations.

3.7: Apart from those who either never join the sector or who leave the area altogether, local graduates might:

- feed into established creature and cultural businesses as employees
- set up their own creative and cultural practices or businesses
- join the community of freelancers working on their own and in commercial and cultural practice, often as part of a portfolio work pattern
- seek employment in other financial, business or public sector bodies, using their creative (e.g. design, media or other) skills
- form part of the wider leisure experience, retail, food, drink and related economy which is important both for cultural tourism in the area and for maintaining levels of cultural vibrancy which help sustain creative neighbourhoods and urban areas

3.8: The following sections look at some of the ways in which the University of Portsmouth and Southampton Solent University are supporting creative businesses through workspace related initiatives[17]. This is only part of the work they do to support the South Hampshire creative and cultural economy, the rest of which sits outside the remit of this review which is focussed on workspace.

3.3 University of Portsmouth

3.9: The University of Portsmouth's Faculty of Creative and Cultural Industries (http://www.port.ac.uk/departments/faculties/cci/) brings together Portsmouth School of Architecture, Portsmouth School of Art, Design and Media, School of Creative Arts, Film and Media, School of Creative Technologies, Portsmouth Centre for Enterprise and the Institute of Industrial Research. These are supported by Centre of Art, Architecture and Design (CAAD), Centre for Cultural and Creative Research (CCCR), Centre for Cultural and Industrial Technologies Research (CiTech)18

3.10: In 2009, the faculty had just over 1000 students (undergraduate and postgraduate students across a range of courses, with particular strengths in architecture, computer games and animation, and digital media.

3.31 Portsmouth - Business, enterprise and workspace

3.11: Through Purple Door, the University supports development, enterprise and innovation, and to enhance workforce skills, by providing access to the facilities, knowledge and expertise of the University, its academic staff and its students.

[17] Additional information on similar activity from the Universities of Bournemouth, Southampton Winchester will be included in the final report.

[18] http://www.port.ac.uk/research/caad/, http://www.port.ac.uk/research/cccr/, http://www.port.ac.uk/research/citech/

3.12: Since 2006, Purple Door has hosted CIBAS (Creative Industries Business Advice and Services[19]) which has assisted over 500 local artists and creative businesses with one-to-one business advice: over 1200 individuals have attended CIBAS training and networking events. CIBAS is supported by the University of Portsmouth in partnership with the University of Winchester, Southampton Solent University and PUSH.

3.3.2 Portsmouth Centre for Enterprise

3.13: Established in July 2000, the Centre[20] supports Portsmouth students to learn and succeed in entrepreneurship through developing enterprise skills and experience. It helps existing and former students by guiding innovative ideas and developing skills in business start up, self-employment, freelancing and consultancy. It offers Business Development Units - low cost office space for those wanting to establish and develop their business to the point of trading. 13 of the case studies on its website are profiles of creative businesses which are spin-offs or (under)graduate start-ups.

3.14: Two examples taken from these case studies bear on what new graduate/ student run businesses find important in relation to workspace:

*"**LimeKnight** are continually grateful to the Centre for Enterprise for all their guidance, support and encouragement. Development Director, Steven Niewiarowski says "Having a subsidised office and access to business mentors puts us in a unique situation, it enables organic growth of the company without too much financial investment and provides us with great opportunities for networking and referrals".*[21]

*"..without the benefits offered by the Portsmouth Centre for Enterprise, the early creation of **Distinction Games** would not have been possible. Distinction Games as a whole … benefited by being given an office large enough to have the entire team work within. The mentoring scheme offered by Distinction Games for current Computer Games Tech students is also only available due to the Portsmouth Centre for Enterprise allowing our plans to be carried out in a unit they run.* [22]

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[19] http://www.port.ac.uk/research/cibas/aboutus
[20] http://www.port.ac.uk/departments/academic/pce/Aboutus/
[21] www.limeknight.com, http://www.port.ac.uk/departments/academic/pce/casestudies/project,44101,en.html
[22] http://www.port.ac.uk/departments/academic/pce/casestudies/project,108709,en.html

*3.4 Southampton Solent University and **a space***

3:15: Southampton Solent University is the fourth largest generator of creative subject graduates in the UK (3,600 graduates in 2007). This makes it one of the UK's significant forces in the creative economy and a generator of creative talent of international importance.

3.16: Creative businesses tend to cluster around HEIs. Locally, the presence of a creative teaching and research institution of this scale is already making itself felt. One example which bears on the workspace experience for students at Southampton Solent is the work experience they gain through their courses in local employment.

3.17: PEW36[23] the Botley based animation company takes the whole of the second year Solent Animation course into its offices for extended training and work experience. This will enable students to understand the creative and technical requirements of running a digital business, and experience a range of business operational requirements. This gives graduates local work connections and portfolios and puts them in a working practice so that businesses issues including workspace needs and options form part of their taught/learned experience

3.18: Solent University is planning to build facilities which will further enrich student business interactions in collaboration with Southampton City Art Galley and **a space**. This is an ambitious and logical attempt to build synergy between the two operators increasing studio capacity in the city, building contact and exposure to professional practice between students and businesses and encouraging talent retention.

3.19: 173 High Street is a planned collaboration between **a space** and Southampton Solent University. Solent are taking out a 10 year lease on the former TK Maxx store in central Southampton in order to house the workshop based teaching activities for their Graphic, Illustration, Fine Art, Print based, Media courses. The plans provide for **a space** to run studios for up to 40 artists on a separate floor of the building, and to work closely with the student and teaching body.

3.20: Solent currently produces the fourth largest number of "bohemian"[24] graduates in UK. Retention of a small number, accumulating year by year, will begin to make a difference. Together these two initiatives could increase the number of studios available on offer through **a space** to circa 90 studios and signal to young creatives thinking about leaving their university city that PUSH has a serious interest in graduates staying to develop their talents in the locality.

[23] http://www.pew36.co.uk

[24] Cited by Faggian and Comunian (see note 12) this references Richard Florida's "Bohemian index".

Case Study 2: creating the right environment

Barnsley Digital Media Centre: a driver for economic development

A £10.5million, 2,800 sqm prestigious new building, commissioned by Barnsley Metropolitan Borough Council and supported by Renaissance South Yorkshire, Yorkshire Forward & Objective 1, as an early 'landmark' in Barnsley's regeneration programme opened in July 2007.

The regeneration vision for the Barnsley Digital Media Centre (DMC) was to provide a "leading component of South Yorkshire's incubation and acceleration strategy for digital and creative businesses". Designed by architects Bauman Lyons and managed by Oxford Innovation it provides 72 state of the art units, and additional conferencing, training and networking space.

The DMC targets start-up, fledgling and growing digital and media businesses while encouraging companies to graduate out of the centre and expand into the local economy. It encourages young businesses to stay in the area and aims to attract new digital business to locate there. The advertising suggests strong locational advantages; it is close to the M1, located between Sheffield, Manchester, Leeds and 90mins to London.

DMC provides

- Flexible and affordable all-inclusive easy in/out terms,
- desk rental options in open plan environment,
- virtual office packages,
- conference and meeting facilities.
- networking and business support

Oxford Innovation is the contractor and managing body. The company specialise in growing knowledge economy businesses and run 15 innovation and business centres across the country. Their view is that creating the right environment is a prerequisite to success whether in creative and digital or science, technology and engineering. This idea is reflected in the staff structure. At DMC a Centre Manager and Receptionist are responsible for day to day operational needs while the Regional Director's role is to get the environment right.

Jo Willett, is Oxford Innovation's senior contract manager for DMC and has been involved with the Centre since bid stage,

'Creating the right environment is a difficult task. We call it creating the personality of the centre and it needs to be a personality that clients respond well to. It's difficult to describe what it is that makes the difference but it is very easy to spot it when it is missing. For a while we didn't have it quite right at DMC, so we talked to people in the sector to understand more of what they needed. Some of the changes may be about design, or the style and structure of events or creating more social opportunities. But essentially it is about noticing how these businesses work and making changes that are useful to our clients and their business and that in turn attracts new clients.'

Since making changes occupancy levels have risen and client satisfaction levels improved. A new membership lounge is planned, offering 24 hour access to specialist equipment, networking and workspace. This will also provide a link to University of Huddersfield for students to use the space to develop ideas and contacts and a relationship with Barnsley College to tie into skills and training is also being developed.

4. Workspace and the cultural and creative economy

4.1 The role of workspace in a sustainable creative economy

4.1: Workspace is one of the key physical manifestations of a sector which is a significant visible and invisible contributor to city and urban life and across a wide range of smaller and less urban communities. This section of the report assesses in more detail the role of workspace in the development and growth of the creative sector.

4.2: There are around 7,500 creative and cultural businesses in the 10 PUSH districts. Most of the non-domestic workspace for these businesses will have been provided through the commercial property market. Many micro enterprises and sole traders will be working informally from home or shared spaces. There is no data locally and precious little elsewhere in the UK assessing in detail how satisfactorily or not between creative businesses and their current or future accommodation needs are matched.

4.2 Workspace issues and considerations

4.3: There are a number of challenges in addressing current and future workspace requirements for the creative and cultural sector. Some of these set specific questions about what kind of space and facilities might be best suited for new and micro/small businesses and as part of a more concerted graduate retention strategy to encourage graduates to make the Urban South Hampshire/Hampshire area their first work location of choice.

4.2.1 Different sectors have different needs

4.4: The creative and cultural sector covers a wide range of different types of business and practice, from advertising companies to visual artists. Within each subsector, individual companies' needs will vary, with some areas of work being conventionally office based, through to others where different types of practice drive different types of demand.

4.5: Across the span of creative practice in the PUSH area, there are a number of types of workspace, which companies will need for their own or for shared use[25]:

- Office spaces including production offices, flexible office spaces, high spec and small office units of various specifications
- Studio spaces for visual artists and designer makers and craftspeople
- Rehearsal, making and related facilities associated with performing arts, music and film and video industries
- Studio and office spaces for the design and architecture sector
- Retail outlets and workshops for the arts and antique sector, designers makers and others

[25] This typology is based in part on *Creative Industries Workspace in Brighton and Hove,* Hill and Massie, for Brighton & Hove City Council, 2009

Subsector	Office spaces	Design studio spaces	Making, rehearsal spaces	Retail outlets, storage
Advertising	✔	✔		
Architecture	✔	✔		
Arts and Antiques				✔
Designer Fashion		✔	✔	
Music Visual and Performing arts			✔	
Publishing	✔			
Computer Games, Software Electronic Publishing	✔	✔		
Radio and Television	✔		✔	
Video Film and Photography	✔		✔	

4.6: Creative and cultural businesses in Urban South Hampshire/ Hampshire, as elsewhere, also represent a growing market for a range of shared or occasional facilities, the market for which is not able to be explored in this short study. Some examples include:

- Showcases: venues for events, shows, gatherings, conferences etc
- Large, industrial, and wet/dirty spaces for rehearsal, fabrication, large-scale technical projects etc
- Locations and found environments for performance, film, rehearsal etc

4.2.2 Workspace needs change throughout the life of a business

4.7: Workspace planners and providers have to factor in changing needs across the different stages of a business's development and growth. There are different requirements as companies establish, expand and contract, including

- New graduate start-ups
- New businesses established by experienced operators/practitioners
- Businesses seeking to grow: in size and/or in value
- Core teams which expand and contract with production and project teams, collaborations etc

4.2.3 Less traditional ways of working and more flexible workspace:

4.8: Creative and cultural businesses- architects, designers, media and communications agencies in particular -have been in the forefront of devising and innovating less traditional workspaces, and have also been early adopters of emerging digital media. Work practice and company structure often values collaborations, working in small teams and time and task finite, project-based relationships.

4.9: There is a huge preponderance of very small companies, many of which stay very small. Often size and "turnover" bear no relation to each other – there are many examples of very high value creative and cultural practice (the best selling musician, author etc). This reinforces the importance of freelancers, independent and part-time work and seasonal/project based activity which make up about half the overall workforce in cultural and creative businesses and organisations and about a quarter of all those who work in the sector.

4.10: This is a digitally expert and demanding business community, sharing ideas, contacts and opportunities

- through social media
- through professional networks
- based around hubs of activity and social spaces

4.11: Projects like The Hub at Kings Cross offer a commercially based model for places to meet, exchange, collaborate, socialise, showcase, work from and so on, in welcoming, flexible, mediated, programmed spaces. Locally, there is evidence of a growing demand for new and more flexible workspace:

- offering more flexible terms of occupancy
- able to respond to growth and contraction as part of the business model
- greater demand for "community" and connectivity within and between types of activity
- environmental and energy considerations more pressing than DDA issues (candidly, they affect the bottom line more)

4.2.4 Workspace support for new graduate businesses and cultural practice

4.12: Section 3 above sets out a number of HEI based initiatives which provide or support workspace. These include projects of the following kinds.

- Low cost and supported workspace available (e.g. Portsmouth Centre for Enterprise)
- Hot desks available (University of Winchester)
- co-location of business units with workshop based teaching (Southampton Solent with **a space**)
    - relationships between teaching and commercial experience and practice (PEW36/Solent)

4.13: In addition, there is a wide range of business development and support services such as non sector specific resources like Portsmouth's Purple Door and the creative sector specific CIBAS.

4.3 Different geographies and cultures across the PUSH area and Hampshire

4.14: The shape of towns cities, local economies, commercial building stock, urban and rural geography, the legacy of heritage and future prospects of districts and communities across Urban South Hampshire and the county play a determining role in defining the workspace needs and possibilities for the sector. Section 5 below sets out in more detail the types of existing workspace in the PUSH area and across the county where a majority of the occupants are creative businesses or cultural practitioners.

4.3.1 Building stock

4.15: The maritime and naval cities and urban centres, and other areas with a history of manufacturing have larger scale buildings and sites which can be repurposed for creative and cultural uses. The intensive museum, archive and cultural tourism use of Portsmouth's historic naval dockyard is the largest, but only one example.

4.16: An increase in redundant and empty spaces is likely as the office based and manufacturing workforce contracts, and as 1960s buildings become less adaptable and marketable and as working patterns change. This may throw up some opportunities, but many of these buildings will not necessarily meet creative market requirements, and may have DDA, health and safety and other issues attached.

4.17: However, across the UK, redundant buildings have proved fertile ground for artists and practitioner led activity – examples include artists studio providers such as ACME and SPACE which have matured from informal use of vacant warehouses in East London in the late 1960s to becoming highly expert and respected development agencies. Locally, **a space** and others are following the same trajectory.

4.18: In the recent report on shop vacancies[26], a number of towns and cities in the PUSH area featured: Havant with c18% retail units vacant, Winchester with 13% (a c5% rise over the last 6 months) and Portsmouth and Southampton at 11% and 10% respectively. Whilst these figures are nowhere near the vacancy rates of Blackpool or Margate, they have become a semi-permanent feature of high street life.

4.19: Urban Fallow, The Partnership in Portsmouth and other meanwhile or interim users are active in making use of some of these units. However, it often appears that this promotes short term uses which allow showcasing, first steps to market access etc, rather than the longer term occupancy which artists, designers, other makers etc would prefer.

4.4 Providers, hubs and clusters

4.4.1 Cultural workspace providers

4.20: There are a relatively small number of workspace providers who are dedicated to offering workspace to creative businesses and cultural providers. Section 4 provides some local detail and examples of primary workspace providers in the PUSH area and more widely across the county. These primary providers consist of:

- Artist led/unfunded studio spaces, often not for profit or social enterprises
- Local authority provision: either as part of larger cultural infrastructure and facilities (e.g. The Point in Eastleigh) or regeneration projects,

[26] *A Gathering Storm? Shop Vacancy Report - Mid Year 2010* September 2010 Local Data Company

including short to medium term uses of council owned light industrial, heritage or other buildings.
- HEI supported initiatives aimed at recent graduates or as an adjunct to particular applied arts, design, media or related departments.

4.21: Almost all of the thousands of creative and cultural companies in Urban South Hampshire and the county have found workspace on the commercial market through what, in terms of this research, are a wide range of secondary providers:
- business and enterprise centres
- developers and commercial landlords

4.4.2 Hubs
4.22: Other types of buildings in the wider cultural estate make important contributions to the workspace ecology. Consultees in this review have emphasised the importance of venues, arts centres and galleries (such as Aspex, Artsway, The Point, Theatre Royal Winchester) in the support they offer to creative practice. As well as providing informal workspace, wifi access, meeting points etc, these and similar organisations, with space, resources and activities
- acting as support and network agencies
- provide a focus for regular knowledge exchange, information
- offer access to training and networking activity.

4.4.3 Clusters
4.23: Clusters describe places where creative businesses are co-locating. Throughout urban history, professions and trades have gathered together in specific areas of towns and cities, the critical mass bringing together the market of customers and consumers, as well as enabling small traders and specialists to provide a wide range of products and services. Sometimes this is market led and sometimes results from regulation, policy or planning.

4.24: Micro cultural businesses here as elsewhere are:
- sharing streets and neighbourhoods rather than buildings (eg Southsea, Portsmouth’s university quarter, architects and designers in Winchester city centre)
- trading with local networks and supply chains of specialist suppliers, printers etc
- congregating in social spaces, cultural facilities, cafes and bars as places where work and recreation happens

4.5 Demand
4.25: Forecasting demand depends on a number of factors. The table below sets out, on the basis of what’s currently known about creative jobs in the PUSH area, a growth model that suggests that c130,000 square feet of additional workspace will be required each year. This figure compares with the 2008 figures from Brighton and Hove. This is an indication that across the ten PUSH districts, there is a creative and cultural economy which is of the same size as that of Brighton and Hove.

4.26: We acknowledge this is a model which requires further research and refinement. However, it gives PUSH and HEP an indication of the size of the potential workspace market.

Subsector	Workspace Type	PUSH Districts Creative jobs	Annual job growth at 2%	Sq foot per job	Additional sq foot required yearly
Advertising	Office/studio space	1095	22	150	3285
Architecture	Office/studio space	10518	210	150	31554
Arts and Antiques	Retail, office and storage	11712	234	150	35136
Designer Fashion	Production offices, office spaces	228	5	150	684
Music Visual and Performing arts	Creation/making space, venues, studios, storage	2876	58	250	14380
Publishing	Office/studio space	1765	35	150	5295
Computer Games, Software Electronic Publishing	Production offices, office spaces	12506	250	150	37518
Radio and Television	Production offices, office spaces	329	7	150	987
Video Film and Photography	Production offices, office spaces	1060	21	150	3180
Totals		41,589	832		132,019

4.27: The assumptions for this are as follows:

- The jobs baseline is taken from the Birmingham CURS report and relates to 2008 data
- No account has been taken of growth or not in 2009 and 2010
- Annual growth from 2010 has been calculated at 2% for all creative and cultural subsectors. This figure can be adjusted (A) in relation to the overall growth forecast for the Urban South Hampshire economy and (b) by fine-tuning against further detail on particular subsectors
- Square feet per job have been taken from the 2009 Brighton study, which based these on data used by architects

4.28: The overall figure of 130,000 sq feet is an annual figure: if growth in the sector is maintained for 5 years, this would generate demand for a further 650,000 sq feet; for 10 years, and additional 1.3 million square feet.

4.6: Graduate retention, business growth and demand for workspace

4.29: The growth in demand model takes no particular account of workspace for particular types of entrants into the creative and cultural economy. At this stage in developing a demand model, we might expect the additional graduates retained in the area to be part of the 2% growth in jobs, and not require additional workspace provision to be factored in.

4.30: In the same way, it is not clear how many of these new jobs are created by professional and practitioners setting up on their own, having been laid off by larger practices which are retrenching during the recession. Anecdotally, we see a large number of architectural practices being set up in the last 18 months, almost all of which consist of people made redundant from larger practices.

4.31: There is some displacement at play here: however, in the context of a fast changing sector with a preponderance of very small companies, and given that the brief asked us to look particularly at the micro-businesses and SMEs, we have cautiously assumed here that:
- Whatever number of the 7,000 local creative graduates are retained South Hampshire will be reflected in the 2% growth per annum
- Almost all new graduate enterprises will start and remain micro-businesses
- The universities concerned will continue to provide some level of bespoke, in-house and targeted support and facility at this important part of their local graduate cohort.

4.7 Affordability

4.32: Affordability is an issue for every business and practice, as it is, on the supply side, for landlords and other workspace providers. Across the spectrum of creative and cultural business and sole practice, there are types and sizes of company which source workspace wholly within the commercial market. There are others who make their own spaces. There are people who find they are priced out of the market and will either work from home, move to cheaper areas, or not set up in business.

4.33: In addition, there is a small amount of provision (South Hampshire examples of which are reported on in the next Section 4 below) where there is a purposeful attempt to supply workspace which is affordable but below prevailing market rates, for parts of the sector.

4.34: There are a number of cost components which need to be factored into any workspace initiatives which PUSH and HEP might encourage:
- Rent
- Building service charges
- Business rates
- Energy costs
- Other services, facilities and resources
- Business support etc
- Maintenance requirements

4.33: In addition, there may be capital costs required to make buildings usable, attractive and compliant with regulations (Health and Safety, DDA, energy etc) particularly for shorter term uses. (This brief summary excludes any consideration of commercial and other new build or substantial refurbishment.)

4.34: The issue of affordability is dealt with at the moment largely by the market meeting virtually all of demand for workspace which is not based at home or in the c100 artists studios in the area.

- Most creative and cultural businesses in non domestic workspace operate in the commercial market
- New commercial oriented businesses (whether emerging directing from higher education or not) benefit from mechanism available through business centres and in other ways which enable rent free periods, discounts on workspace costs etc for a finite period of their start-up period. Enterprise and business centres run by local authorities and others are all required to operate in the same market place, withy no latitude to subsidise particular kinds of businesses or sectors.
- Some enterprise centres and other providers add layers of additional support and access to resources as part of the value added to the cost of business space.
- Relatively small numbers of artists, makers and performers have been able to create practice specific workspaces and studios, often in buildings with limited long term security and/or which are for the moment at the margins of council' or others' estate priorities. These "affordable" artists' studios appear to offer workspace at somewhere less than half local commercial equivalent.[27]
- Many of the substantial number of freelance, part time and sole cultural and creative practitioners (several thousands, at least, in the South Hampshire area) will be working from home, operating outside the commercial and the supported workspace market.

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[27] This needs further research. The experience of the artists studio providers in London and other regions appears to bear out that individual fine artists and designer makers can afford spaces at about one third of going commercial market rate (rent, business rates, service charges etc).

Case Study 3: long term vision for housing cultural practice

The Point, Eastleigh - It can happen here

The Point is a successful theatre and studio complex, serving a broad community. It presents a classy, professional, live arts and cinema programme and an education and outreach programme that engages over 50,000 people. Opened in 1996, as one of the earliest capital Lottery projects, The Point is managed by the Culture Unit of Eastleigh Borough Council, and presents a year round programme of films and performance – live music, theatre, dance, comedy – and hosts a lively community and amateur programme. It is a successful social and community hub, drawing audiences locally and regionally and providing opportunities for participation and engagement for children and adults alike.

The venue has earned an outstanding reputation for its contemporary dance programme presenting established companies and artists such as; Akram Khan, Ballet Boys, Charles Linehan; for bringing on emerging choreographers and companies such as Lila Dance and Udify; and for the ways it supports dance making and learning at community and professional level.

The ability to support dance and performing artists in producing new work was greatly increased in November 2010 by the addition of the *Phase 3 Creation Space*. *Phase 3* is the only performing arts development centre of its kind in this country attached to both a professional theatre and including on-site accommodation for up to ten artists.

Eastleigh may not appear to be an obvious place to develop a successful dance and performing arts hub, but it is the result of a considered, long term plan led from within the local authority. Cheryl Butler, the Head of Culture with the remit for creative industries for Eastleigh Borough Council describes an approach that combines long term vision, tactical wit and tenacity. 'This didn't happen by accident. We have always known exactly what we are doing. We had a big plan and the ability to move quickly when the opportunities arose.'

Butler expresses a conviction that good arts production can happen anywhere, given encouragement and emphasises the importance of developing facilities alongside talent that is rooted in the locality. Developing the capital resource was significant, The Point was the first and only purpose built professional dance space in this part of the region. Developing discerning audiences, embedding dance in schools and developing degree level courses with HEIs has been equally important, as has listening, understanding and responding to the needs expressed by professionals in the dance sector.

Through collaboration between culture and economic development units of Eastleigh Borough Council, the Arts Council, the University of Winchester and the Linbury Trust, The Point now offers specialist workspace and support to both established artists and companies and graduate and early career companies. The programme provides supported office space, rehearsal and development time in the new Creation space. It is managed by a part-time professional creative producer who can advise on the business of developing, selling and touring new shows.

This is an unusual and innovative initiative which offers efficient and purposeful facilities to companies in the creative cycle of making live performance. Currently fourteen new and emerging artists and companies are being supported and include choreographers, media artists, physical theatre, theatre, and dance companies.

5. An assessment of current creative and cultural workspace provision in Hampshire

5.1 Few clusters and providers

5.1: The search in Urban South Hampshire to identify locations where creative industries are concentrated has revealed few obvious clusters and only a small number of small scale specialist providers of creative workspace.

5.2: The search methods included consultation with local authorities, universities and others to identify known locations and providers and possible clusters. A survey of 20 known providers and a telephone survey of a sample of commercial providers was carried out. This provider survey sought to identify and detail places where more than half of businesses are creative businesses or cultural practitioners. A digest of the findings is attached in Appendix 1.

5.3: Currently, provision is most clearly demonstrated for affordable and specialist space by visual artists. This sector also appears to be most successful in generating specialist providers often supported by Local Authority, Arts Council or RDA investment. Many of these are led by artists.

5.4: There are indications that some small expansion of specialist workspace is about to take place in some places (Portsmouth) and in others that current initiatives could be short lived (Winchester).

5.5: The needs of other commercial sectors would appear to be met currently through more generic SME provision e.g. Architecture. However generic commercial providers of standard SME office space report a very low take up by creative businesses or cultural practitioners. An exception to this is reported by Hampshire Workspace in Winchester. Home working is also a reported as a preferred option of some freelancers and single operators.

5.6: This confirms the general sense of invisibility of the creative industries in the county and the sub region caused by the relative dispersal of the sector. By and large, creative businesses or cultural practitioners remain a hidden asset.

5.2 Clusters and demand

5.7: Clusters of visual artists are evident in Southampton, Portsmouth and Winchester, a consequence of the presence of four HEIs in the three city areas and the range of arts and media courses available. Demand for **artists' workspace** is reported by existing studio bases and through evidence collected by CIBAS, through feedback at surgeries and through a recent member survey. Artists consistently report a lack of studio space across the area. No overall demand figure is known, as many of the providers do not maintain formal waiting lists, often for fear of raising expectations that waiting artists might soon be housed.

5.8: Love Albert Road Festival is one manifestation of a clustering of **artists, designers and independent retailers** in the Southsea area of Portsmouth. However there is no clear view on workspace needs emerging here beyond that identified by visual artists.

5.9: A significant informal cluster of **architectural practices** is reported in Winchester with estimates of 30 or more practices trading in and around the city. Proximity to markets and access to professional development and networking are identified as two reasons for architectural practices locating here. The Experian report *Mapping the Creative Industries in the South East* confirms a concentration of architect business premises in Winchester and employment concentrations in Winchester, East Hampshire and Gosport.

5.10: The businesses vary in scale and include the innovative, well established and the new: Architectural PLB, Design Engine and Snug Projects are some examples of Winchester based firms. Winchester City Council recognises the importance of these companies presence in the city and the development of local skilled supply chains involving designers, makers, specialist crafts and contractors and others. There are no reports of a lack of workspace by architects.

5.11: Beyond this little clustering of sector based business premises is reported although numbers of **designers and advertising companies** are evident through business searches in Southampton and Portsmouth.

5.12: We have found little evidence of clustering or direct demand for workspace specifically serving the digital and games industries or music production, although there is some evidence of an emerging cluster of games and media companies in and around the university quarter in Portsmouth.

5.3 Providers

5.13: There are fewer specialist creative industries workspace providers than might be expected. Where they exist they tend to be bespoke and small scale. The survey identified around 20 specialist providers providing around 100 specialist workspaces, some of which are vulnerable to development programmes while two others are planning for modest growth. Appendix 1 contains the list of providers.

5.3.1 Artist led initiatives

5.14: Three examples of stable, mature **artist led initiatives** in the sub region which demonstrate a depth of expertise in running studio spaces for artist and makers are Portsmouth Art Space, Artsway and Fairground Crafts in Andover. **a space** in Southampton is growing in size and scope and offers a positive example of an independent provider focusing on developing workspace for a cross sector of creative talent in the city.

Example: Art Space - Portsmouth

5.15: Art Space Portsmouth is an example of one of the longest running and successful independent initiatives in Urban South Hampshire and Hampshire. Arts Space was founded in 1980 when a group fine arts graduates and teachers converted a Victorian Chapel in Southsea to provide low cost studios for artists. Thirty years later artists continue to run the premises as a charity, under a lease from Portsmouth City Council, offering studio space to 28 artists.

5.16: Art Space Portsmouth 's mission is developmental and it seeks to promote contemporary visual arts by supporting emerging and professional artists' practice through the provision of affordable facilities and through an extended network of support to a membership of professional artists in the wider community. In addition to developing studio provision and supporting an extensive artist network, Art Space contributes to city building through cultural regeneration projects. It was instrumental in the development of Aspex Portsmouth's leading contemporary gallery and has since launched a new project, GASP, the Gallery Art Space Portsmouth.

5.3.2 Specialist work space for makers and producers.

5.17: There has been some recent expansion in **specialist work space**. A number of premises have emerged within the last four years often with direct support from Local Authorities. For example *The Point Arts Centre* at Eastleigh provides regular residency opportunities for performing arts companies developing new work and has recently opened a suite of studio spaces. *Making Space* at Havant opened in 2007 providing specialist space for designer makers.

5.18: Winchester City Council has made available hard to let properties from its own portfolio, successfully bringing forward artist studios at the *Yard* and the *Colour Factory*, and providing low rent office space for performance companies in the town centre. The Partnership in Portsmouth has provided temporary accommodation for artists through a recent *Pop Up* shop initiative.

Example: a space, Southampton

5.19: **a space** is one of few agencies reporting plans for expansion which it is managing independently and in partnership with Southampton Solent University. These plans could deliver a further 60 studios and workshop spaces in Southampton. *Tower House* (TH) will be piloted later in 2010 and aims to provide for screen or desk based practice such as design, writing, film & music editing, animation etc. and will test the demand for future developments.

5.20: *173 High Street* is a long planned collaboration between **a space** and Southampton Solent University. Solent are taking out a 10 year lease on the former TK Maxx store in central Southampton in order to house the workshop based teaching activities for their Graphic, Illustration, Fine Art, Print based, Media courses. The plans provide for **a space** to run studios for up to 40 artists.

5.3.3 Commercial and local authority business and enterprise centres

5.21: In the commercial sector providers of serviced office space to SME businesses such as Basepoint and Portsmouth Enterprise Centres, generally report low levels of take up by Creative Industries. One exception is Hampshire Workspace in Winchester where up to 40% of businesses are identified as some kind of creative sector enterprise.

5.22: Both commercial and public sector operators of business centres have self imposed or funder requirements to target the majority of their spaces (up to 80% in many cases) at sectors and businesses deemed to deliver higher levels of GVA into the area. These gateway policies for enterprise centres, science parks and incubators specify 80% businesses from target sectors such as technology, thereby excluded businesses from the creative sector, however commercially profitable they might be.

5.23: This is a further reason to establish the real value of certain types of creative enterprise to the sub regional economy, and is an important outcome in winning the argument to acknowledge the importance and value of the CCI sector within the PUSH districts and for PUSH's development strategies.

5.4 Hubs

5.24: Section 4.4.2 sets out how other types of buildings and organisations - venues, arts centres and galleries - support creative practice. Some hubs such as Artsway and the Point also offer managed workspace.

5.25: The New Theatre Royal in Portsmouth is involved in a new initiative, unique to the PUSH area, and in partnership with Portsmouth University, which will not provide workspace per se but will intensify the theatre's role as a significant learning and professional development hub.

5.5 The changing role of libraries and Discovery Centres

5.26: Hampshire CC has redeveloped its libraries into new kinds of civic spaces, offering informal hot desking, meeting space and Wi-Fi connection, backed up by the knowledge and information service of the library. These have potential to become hubs where creative practitioners can carry out some of their business informally. This type of resource is an important component in a healthy ecology supporting a flexible and mobile workforce.

5.6 Workspace initiatives in Higher Education

5.27: To date, the universities in Urban South Hampshire offer relatively little by way of incubation or spinoff support targeted specifically at creative graduates: workspace is on offer across the wide range of potential graduate enterprise.

5.28: There are a number of important projects in advanced stages of design and planning that will change this picture within the next two years. Southampton Solent's proposed High Street teaching and studio project is being developed with **a space** to provide a joint facility for teaching and research with up to 40 artists' and designers' studios purposely located in the same building.

5.29: In Portsmouth, the university is planning to deliver two new building projects[28] offering workspace– the Creative Learning Centre at the New Theatre Royal and the rebuilt School of Art in Middle Street which like the Solent/**a space** project will have teaching, research, networking and workspace under its roof. The Creative Learning Centre is a joint project with the University of Portsmouth and will provide a professional theatre leaning context for performing arts students.

5.30: New Theatre Royal intend to develop a *Made in Portsmouth* brand by offering residency and mentoring opportunities to new and emerging professional companies to make new work on a regular basis. The plan is to extend the building to provide a Creative Learning Centre, offering skills development in theatre making for on and off stage roles, technical, and practical as well as artistic. They plan to develop as an outreach point of the National Performing Arts Skills Centre in Thurrock and have a commitment to ensure a proportion of local recruitment. The timetable is for completion in March 2013 assuming the capital targets can be met. If successful this hub initiative will boost the theatre skills and production capacity of the city.

5.7 Local authority development planning

5.31: Local authorities in Urban South Hampshire and in Hampshire are playing a potentially vital role through their Local Development Frameworks, and in preparing to develop and market particular sites for employment, as district centres, as business parks or as part of other large scale mixed economy sites.

5.32: For example, Havant BC is looking at floor space provision for creative industries as part of the Development Delivery allocation. The Supplementary Planning Document for the Public Service Village Master Plan allows for the provision of a Cultural Centre.

5.33: In Fareham, planning is under way for the eco-town with 7-8000 houses to be developed by Prudential and others, with a current target start date of 2015. Some 97,000sqm of workspace is planned, half as (knowledge based) business park and half in new district centre. The Borough Council has recognised an interest in the creative sector, and the capacity of companies in the sector to grow fast and add value to the local economy. It will look to see whether and how new or established creative

[28] http://www.port.ac.uk/departments/faculties/cci/experience/newbuild

businesses might help shape the potential for its business park to house a significant number of knowledge based businesses.

Case Study 4: Three niche workspace developers

Urban Space Management – Trinity Buoy Wharf

Trinity Buoy Wharf (www.trinitybuoywharf.com) combines heritage buildings (the site was the workshop for shipping navigation institution Trinity House in the 19th century and has the Thames only remaining lighthouse) with modern container based homes and studios.

USM was set up as a company specialising in creative re-use of buildings and has been responsible for a number of London's best known craft and design markets – including early years development at Camden Lock, Spitalfields Market, and Gabriel's Wharf on London's South Bank.

Trinity Buoy Wharf is managed by USM through a Trust which was granted a long term lease (110 years) by the local authority (landowner) and hosts around 500 artists and creative businesses. In addition to the provision of workspace the Trust maintains the heritage asset, supports a range of educational activity ranging from a primary school located on site, creative arts courses run by the University of East London and programmes with Trinity College of Music, and hosts a variety of public events and exhibitions.

Workspace London -

Workspace (www.workspacegroup.co.uk) is a commercial provider of small serviced business units operating within the M25. It understands the value of small creative business and operates in former industrial and commercial buildings outside London's central business zone: many of its properties are on London's periphery.

Clerkenwell Workshops is based in a refurbished office building offering, studio and workshop space with access to a communal courtyard and cafe/bar. Clerkenwell Workshops are developed and managed to appeal to the traditional craft and design businesses in the area and to attract new media, design, and architectural companies.

The Hub at Kings Cross

350 businesses and social enterprises are based in a 2000sq ft former ice factory next to Kings Cross Station on London (http://kingscross.the-hub.net). Owned and operated as a social enterprise, the Hub at Kings Cross provides a café and meeting space downstairs, three meeting rooms and around 50 hot desk spaces on its upper floor. The 350 businesses buy different levels of access to space and services ("access to touchdown meeting and work spaces, a state of the art exhibition and events space, a bar with a cafe, and an evening programme of lectures, film, debates and music") on a monthly contract. The Hub at Kings Cross hosting team based maintain a continuous dialogue with users, curate occasional programmes and events, and identify issues, opportunities, offers of specialist support etc on a continuing basis. The HUB at Kings Cross is the centre of a network of 12 similar teams and spaces on four continents connecting several thousand entrepreneurs through its intranet.

6. Recommendations for intervention

6.1 Proposals for intervention

6.1: Experience demonstrates and research confirms that physical space is only one dimension of successful CCI development. Successful CCI workspace strategies require both a supply of appropriate spaces (in the right locations, affordable, offer appropriate terms, facilities and support, etc) and the right management skills and judgements required to render spaces attractive to creative sector.

6.2: As the case studies show, along with local examples such as **a space**, putting the right development, management and operational skills in place – skills in people who really understand the business dynamics of particular parts of the creative sector - is the key to success.

6.3: The skills to develop, market and manage are as important as the buildings/spaces in which activity takes place. For example, the Arches in Southampton have existed since the coming of the railway but it took the vision and skills of **a space** working with the local authority, HEIs and other partners to bring about their successful transformation as creative workspaces.

6.4: The interventions set out for PUSH, HEP and its partners will tackle gaps and opportunities to support PUSH and HEP's strategic priorities - space, skills, and strategy:

- Support for new workspace and support facilities: responding to specific industry needs for small, flexible, supportive, congenial business friendly workspaces
- Profile raising and inward investment: encouraging existing and new specialist commercial developers and providers to develop workspace for creative businesses in the PUSH area.
- Strategy: firmly locating the workspace issue in the wider creative and cultural and wider economic development strategy, .

6.2 Intended Outcomes

6.5: The interventions we propose below include both skill and space based propositions and are designed to enable the following outcomes.

- Encourage more and different creative and cultural workspace across the sub-region
- Increase sustainability, visibility and profile of creative and cultural sectors in Urban South Hampshire
- Improve graduate retention

6.3 Intervention: Support for new workspace and support facilities

6.3.1 Rationale

6.6: Research and consultation has identified a need for new and different kinds of workspace. This would help deliver small, flexible and congenial workspaces.

6.7: There is particular local interest in setting up a digital media centre. This would be a bespoke centre targeted at digital media companies, offering flexible terms, high spec offices and digital capacity and a range of networking and peer to peer activities to foster a sub regional sense of digital enterprise and community.

6.8: Potential opportunities identified within the study period include the redevelopment of the Portsmouth News site and the development of further digital workspace by **a space** and Solent University.

6.9: There also appears to be commercial opportunities with a growing market for hot desk workspace for start-ups and micro-businesses complemented by a strategic approach to the Wi-Fi enabling of key urban areas and business districts. In working with commercial providers to extend Wi-Fi coverage across all public and civic space, PUSH would signal a serious competitive intent to be a leading location for technology based business in the SE and facilitate opportunities for large and small business to work successfully across a range of locations.

6.3.2 Actions for PUSH, HEP, local authorities and developers

- PUSH to prioritise 2010-2011 underspend towards creative workspace projects which are ready to develop.
- PUSH and its member councils to identify potential sites and development opportunities for sector specific workspace development
- Preliminary concept and design development by the interested developer/social enterprise to identify market, business model, offer etc.
- Further market research and feasibility testing to secure better knowledge of latent and existing demand, business model, operating and related characteristics.
- Local authorities to review longer term opportunities for the insertion of creative and cultural targeted workspace in site disposals, planning briefs and development frameworks. Examples identified in the study period include city centre developments such as Southampton's cultural quarter and its office quarter and new urban developments, for example Fareham's eco-town via its Core Strategy and the imminent Area Action Plan, for inclusion in the business district centre.
- PUSH to co-ordinate an approach to enabling widespread wifi access in the sub region.

6.4 Intervention: encouraging specialist commercial developers and providers to invest in the PUSH area.

6.4.1 The rationale

6.10: Specialist developers with knowledge and interest in creative industries and in the character of place have demonstrated the desirability of creative quarters and specialist mixed use developments in many major cities. This research and other evidence shows there is no shortage of property available for development in Urban South Hampshire. There is a large and diverse creative business sector and the potential for further growth. Within their overall inward investment strategies, PUSH and HEP should lead the argument specifically towards specialist developers of creative business workspace.

6.11: This could also act as the lead action in developing a campaign asserting the value and specialness of urban South Hampshire and the county's creative and cultural practice and telling positive stories of their locality. Positive messages, success stories and the communicating value will encourage new graduates, and new business to stay/locate here.[29]

6.4.2 Actions for PUSH, HEP, local authorities, creative champions and developers

- PUSH and HEP to collaborate on an inward investment document which sets out the strengths and opportunities offered by the sub region and its creative and cultural sector
- PUSH and HEP to involve creative businesses and specialist agencies e.g. Solent Architecture Centre, to develop a prospectus demonstrating CCI strengths and opportunities, identifying the characteristics for success demonstrated by successful creative workspace developments elsewhere.
- PUSH with its member councils to identify potential sites and development opportunities for sector specific workspace development
- PUSH and HEP to develop a targeted campaign to inform and persuade specialist developers of the potential of the area, signalling that creative industries focused development is encouraged.
- PUSH could act as champion and catalyst for a creative and cultural business led partnership for the creative sector
- Ensure that the creative and cultural narrative for Urban South Hampshire and in the rest of the county is used effectively, particularly in emerging inward investment and promotional strategies.

[29] Commercial and public media can assist. For example *I love London Awards* www.smoothradiolondon.co.uk/events/love-london-awards

6.5 Intervention: Placing the workspace issue in the creative and cultural and wider economic development strategy.

6.5.1 The rationale

PUSH and HEP have acknowledged the need to persist in developing a strong evidence base and a compelling analysis and narrative that properly values (neither over nor under) the contributions the creative and cultural sector make both to the regional economy and also to quality of place.

6.5.2 Actions for PUSH, HEP, local authorities, creative champions and developers

This can be achieved in a number of ways such as

- Coordinating research and sharing outcomes will enrich the knowledge base about creative graduate destinations [30]
- property management practices may need to change, given a better understanding of the value of the more commercial parts of the creative sector, for example in relation to gateway policies

[30] Some of this is already happening. The University of Winchester is supporting a PhD research project at The Point, Eastleigh. This longitudinal study will address questions of cultural and economic values of careers in arts and creative disciplines and the value of retaining artists and creative students in local areas. In part the research is a response to the lack of information about graduate destinations on completion of courses in the creative and cultural disciplines from Urban South Hampshire HEIs and will offer a clearer understanding of how many graduates in these disciplines remain in the area after graduating and how many relocate to other regions, in particular London.

6,6 Intervention: improving practice to support and celebrate what is working

The rationale

This report identifies the range of ways in which Local Authorities can impact on the creative industries in their area. Councils that are successful in encouraging the growth of the cultural and creative sectors in their areas tend to demonstrate clear leadership and co-ordinated working across departments and across different areas of professional expertise. These councils exercise their influence and powers as property owner, planning and licensing authority, and through strategic planning, procurement, partnership brokerage and direct commissioning.

Clear and confident leadership is needed to encourage regeneration and property professionals to understand and promote good practice and flexibility in working with creative sector business.

Improving the visibility and range of creative workspace in the area requires the informed and confident engagement of property expertise in both the commercial and public sector. Evidence of new competencies in this area might include

- the active promotion of cultural and creative uses of hard to let properties
- making the most of the presence of the creative and cultural business community
- spotting and bringing forward specialist development opportunities
- reflecting, highlighting, and profiling the sector in land planning, economic development and inward investment strategies.

6.6.2 Actions for PUSH, HEP, local authorities and others

- PUSH/HEP and HEIs to promote a series of professional development seminars, visits and events involving members, officers and creative business leaders to review best practice and to ‘workshop’ ideas for the sub region
- Ensure that the creative and cultural narrative for Urban South Hampshire is used effectively, particularly in emerging inward investment, sub regional and LEP related strategies.
- Identify how the generic business service offer represented by *Invest In Southampton* and *Invest in Portsmouth* websites to consider how they might benefit by highlighting the creative and cultural offer of Urban South Hampshire to business
    - signalling to the creative and cultural business sector workspace, facilities and services relevant to them and monitoring the response.

Appendix 1 Workspace Provider Survey

PUSH - Survey results and analysis.

Survey Returns

The analysis that follows is based on the return of 11 out of 20 questionnaires circulated in July 2010 to organisations involved in letting or managing workspace for creative industries.

The list was based on providers known to the client and extended in consultation with PUSH and HEP contacts. The survey aimed to identify buildings where over 50% of occupancy is by creative industries and/or cultural practitioners. The list below shows those workspace providers identified as having properties which meet the 50% criterion and who returned a survey.

Area	Project	Contact
Wider PUSH area		
Eastleigh	Eastleigh Borough Council	Cheryl Butler
Gosport	Gosport	Damien
Havant	Making Spaces	Dani Hull
Portsmouth	Portsmouth Arts Space	Natalie Dowse
	City of Portsmouth	Claire Looney
	Enterprise Centres (Portsmouth)	Alan Lowe
Southampton	**a space**	Dan Crow
	City of Southampton	Christine Rawnsley
	The Partnership	Martin Danson
Winchester	Workshop Project	Administrator
	The Yard	Michael Weller
	The Colour Factory	Info
	Brassey Rd	Alison Flood
	University of Winchester	Trish Kernan
	City of Winchester	Marilyn Michalowicz
	Basepoint Winchester	Administrator
Hampshire		
Andover	Fairground	Wendy Atkinson
New Forest	Artsway	Mark Segal
Test Valley	Test Valley Arts	Michael Widen
Hampshire	Hampshire County Council	Jo Montague

Work space information

Building Name	location	type	No units/ artists	Activity	DDA	Owner	Management Tenure	CI tenure offer	Other services
Making Spaces	Havant	Purpose built	7	Jewellery Fashion Ceramics Film	yes	HCC	Manage on behalf of HCC	Short lease – up to 3 years	Gallery Equipment
Arts Space	Portsmouth	Converted Church	28	Fine Arts & photography	part	PCC	Leasehold Re-negotiable	Long lease – more than 3 years	Gallery
Matley's Yard, Unit 4	Winchester	Warehouse	14	Fine Arts	No	WCC	Tenancy at will	informal	(Gallery projects)
Matley's Yard , Unit 2	Winchester	Warehouse	12	Fine Arts	No	WCC	Tenancy at will	informal	(Gallery projects)
Colour Factory	Winchester	Bungalow (& public toilets)	4	Design Fine Arts	Yes	WCC	Leasehold renegotiable	3 year lease	Community workshop
Light factory	Winchester	Public toilet & office (car park)	2	Fine Arts	No	WCC	Tenancy at will	Informal	(Gallery projects)
5a Jewry Street	Winchester	Office	4	Performance	No	WCC	Short lease renegotiable	Short lease	Office
Arch 4	Southampton	Railway Arch	1	Solent University Gallery & project space	yes	SCC	5 year lease, expires March 2012. Expects to renegotiate	Licence	Project space
Arch 7	Southampton	Railway Arch	7	Fine Arts Photographers Glass Artist	no	SCC	As above	As above	As above
Arch 8	Southampton	Railway Arch	7	Fine Arts Fashion Animator	No	SCC	As above	As above	As above
Chapel Arts Studio	Andover	Converted Chapel	3	Visual Arts	yes	TVBC	25 year lease		Gallery Project Space
Artsway	Sway, New Forest	Coach House and Stables	5 (8 artists)	Visual Designer		Artsway	Freehold (Gallery)	1 year licence	Gallery Residencies

Building Name	location	type	No units/ artists	Activity	DDA	Owner	Management Tenure	CI tenure offer	Other services
				Makers Digital		Private landlord	Leasehold 10 yr (studios)		Commissions
Fairground Crafts and Design Centre	Weyhill	Farm Building	11	Crafts practitioners e.g. glass, woodwork, jewellery + Fine arts, photo		Penton Grafton Parish Council	Lease	Short lease (3yrs)	Access to Gallery & office facilities. Retail outlet Café
Masters' Lodge	University of Winchester West Campus	Converted House	2	2 hot desks Performing arts	yes	U0W	Freehold	Free (Business start up package)	Business support CPD
Cemetery Cottage St James Lane	Winchester	Converted cottage	2/3	2 desk space Performing arts & festival organisers	No	WCC	Leasehold (long lease)	Free (Business start up package)	Business support CPD

Appendix 2 Consultees

Local authorities etc	
Charles Freeman	PUSH
Evelyn Thursby	Hampshire Economic Partnership
Kishor Tailor,	Economic Development Director, PUSH
Natalie Sweet	Basingstoke DC
Cheryl Butler	Eastleigh Borough Council
Jeff Channing	Director, Eastleigh Riverside
Nigel Green	Fareham BC
Timandra Gustafson	Hampshire County Council
Janet Mein	Hampshire County Council
Jo Montague	Hampshire County Council
Joy Okwuadigbo	Head of Regeneration, Havant BC
Kathy Wadsworth	Director Economic Development, Portsmouth CC
Roger Harrison	Business Services Development Manager, Portsmouth CC
Claire Looney	Portsmouth City Council
Tim Levenson	Head of Economic Development Southampton CC
Robin McDonald	Economic Development Officer – Invest in Southampton, Southampton City Council
Christine Rawnsley	Southampton City Council
Michael Johnson	Test Valley BC
Kevin Warren	Director Property, Winchester CC
Marilyn Michalowicz	Winchester City Council
Workspace providers	
Dan Crow	**a space**
Dani Hull	Making Spaces
Trish Kernan	University of Winchester
Michael Weller	The Yard
Michael Wilden	Test Valley Arts
Mark Segal	Artsway
Chris Allington	Oxford Innovation
Wendy Atkinson	Fairground Craft
Denise Pickering	Hampshire Workspace
	Basepoint Gosport
	Basepoint Southampton
Universities etc	
Alan Schechner	Solent University
Mark Baker	University Portsmouth (Purple Door)
Roberta Comunian	Southampton University
Alan Fyall	Head of Enterprise, Bournemouth University
Joanna Ross	Portsmouth University

Other agencies	
Phil Smith	Solent Architecture Centre
Peter Spence	South Coast Design Forum
Steve Fisher	CIBAS
Paul Grover	Solent Architecture Centre
Martin Dennison	Portsmouth & South East Hampshire Partnership
Louise Govier	National Trust Mottisfont Abbey
Caroline Sherman	New Theatre Royal Portsmouth

Appendix 3

Local Authority Guidance on supporting creative industries

In July 2009, IDeA published guidance[31] for local authorities in England and Wales on investing in creative industries. *Investing in Creative Industries: Guide for local authorities* was designed for a broad audience including elected members, chief executives, senior officers as well as officers with responsibility for planning, and economic development culture. Council roles that have an important impact upon creative industries in the local area include :

- planning authority
- licensing authority
- regulator
- property ownership, development and management
- monitoring trading standards
- health and safety of events
- strategic and funding roles in relation to schools and
- further education
- convenor of partnerships, particularly with higher education and with sub-regional local authorities
- direct deliverers e.g. through libraries
- commissioning work
- procurement of design and related services

It sets out benefits of investment in creative industries and identifies principles to aid decision making about investment in creative industries at the local level. IDeA advice is relevant to Oxfordshire, based as it is on good practice elsewhere:

- *Strategies should play to local strengths*: The role of local authorities is to select the most appropriate interventions based on local context and local demand. Size, history and economic competitiveness are all important considerations.
- *Interventions should be part of a holistic approach to creative industries*. Investment in creative industries should not be considered in isolation, but as aspects of a holistic approach aimed at developing creative industries. Projects, for example, physical infrastructure, have been most successful when undertaken in conjunction with investment in networks or associated events. In addition, successful investment in creative industries requires local authorities to consider how their role as a planning authority, health and safety regulator etc. will impact upon creative businesses in their area.
- *Working in partnership is vital*: Local authorities need to consider how they can best add value, and need to review how they can work in partnership with other organisations such as the Arts

[31] *Investing in creative industries? a guide for local authorities,* IDEA 2009 www.idea.gov.uk/creativeindustries

Council and Regional Development Agencies, and/or a local, sub-regional or regional level.

- *Appropriate measures of success should be selected*: Creative industry jobs and GVA are not necessarily the most appropriate outcomes to measure; for many local authorities, more realistic gains can be made in terms of increased visitor numbers, place-making or attractiveness to investment.
- *Interventions do not need to be costly; however, they all need to respond to demand.* Supply-led workspaces can lead to failure and be wasteful. Instead more consultation should take place at an earlier stage to ensure that interventions fulfil their potential to enable creative business growth.

Appendix 4

The creative and cultural economy in the sub region

Over the last 10 years, a series of local and regional reports have identified the scale and scope of cultural and creative economic activity along with other quantifiable contributions which the sector makes to the wider economy and to community, place, reputation and brand.

1 The scale of the sector

PUSH recently commissioned research from University of Birmingham's Centre for Urban and Regional Studies[32] on the substance of and growth prospects for the creative and cultural sector in urban south Hampshire. Their evidence supports the 2003 findings by DPA for SEEDA and others[33] that creative and cultural business activity generated in the South East, and the impact of a substantial employed and self employed workforce with creative and cultural skills makes a substantial contribution in its own terms, but also bigger than many agencies acknowledge.

The Centre for Urban and Regional Studies work identified

- around 4,635 creative firms in the PUSH area and 7,409 creative firms in the ten PUSH districts in 2008
- These creative firms accounted for 28,405 creative jobs in the PUSH area and 41,509 in the totality of the PUSH districts
- creative firms and jobs tended to concentrate in urban and semi urban areas of PUSH
- some PUSH districts seem to have benefited from this growth more than others, especially in terms of jobs; this is the case of Gosport and Winchester and to a lesser extent of Test Valley, New Forest, East Hampshire and Fareham
- creative firms account for a higher proportion of all ten PUSH districts' firms (14.7%) compared with the national average (13.4%)
- creative industries have increased both in terms of firms (+13%) and jobs in the PUSH districts (20%) These increases are above the regional and national averages
- creative jobs have also increased in some sectors more than others in the PUSH districts, with growth above the national average in Advertising, Architecture, Arts and Antiques, Video, Film and Photography and Software
- the research points to concentrations of architecture firms in East Hampshire and Winchester; high concentrations of jobs in music, visual and performing arts in Test Valley and New Forest; and in software and software (including games, digital media etc) in Portsmouth, Winchester and in East Hampshire.

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[32] Briefing Note – Creative Industries in The Partnership For Urban South Hampshire (Push) Area, Centre for Urban and Regional Studies, University of Birmingham April 2010

[33] *South East England Creative and Cultural Industries*, DPA for SEEDA and others 2003

The breakdown of creative and cultural sector companies in the CURS report is as follows.

	PUSH	PUSH	PUSH	PUSH Districts	PUSH Districts	PUSH Districts
Subsector	Creative jobs	Creative firms	Avge per co	Creative jobs	Creative firms	Avge per co
Advertising	749	149	5	1095	258	4.2
Architecture	7612	1220	6.3	10518	1885	5.6
Arts and Antiques	7948	1354	5.9	11712	1970	5.9
Designer Fashion	149	30	5	228	43	5.3
Music Visual and Performing arts	1704	335	5.1	2876	651	4.4
Publishing	1305	111	11.8	1765	215	8.2
Computer Games, Software Electronic Publishing	7958	1228	6.5	12506	1982	6.3
Radio and Television	226	45	5	329	95	3.5
Video Film and Photography	754	163	4.6	1060	310	3.4
Totals	28405	4635	6.5	41589	7409	5.6

The average number of jobs per company needs, for more rigour, to be tested against the profile of each subsector between the (very large) number of micro-enterprises and those employing more than 10, or 50, let alone 100+ people.

For comparison, the overall profile in Oxfordshire[34] showed that of the c3,000 creative firms in the county, 92% employed less than 10 people, 6% between 11 and 50, and just over 1% more than 50 people, with publishing and advertising having the largest proportion of larger companies. The overall profile is consistent with the pattern for the sector regionally and nationally, so we would expect Urban South Hampshire 's 4,635 creative firms to consist very largely of micro businesses and very few (50-100 say) employing more than 50 people.

In addition, it appears that the average size of the creative firms identified in the research is a little smaller in the overall figure for the PUSH districts than in the PUSH area itself.

2 Role within the Urban South Hampshire economy

[34] DPA and URS 2009 op cit

DTZ's recent work on PUSH's Draft Economic Development Strategy makes a number of points which may impact of the supply and demand of workspace for creative businesses in the PUSH area and Hampshire more widely.:

- Across Urban South Hampshire, as a result of the recession it is projected that average annual GVA growth 2006-26 will be only 2.0% per annum compared to the current PUSH aspiration in excess of 3.0% over the long term
- From 2011-26, excluding the recession period, the rate is 2.5% p.a. still below target).[35]
- Within the labour market the evidence points to some closing of the gap between the cities and the urban boroughs. However, in employment terms the cities have performed less well than the rest of Urban South Hampshire.
- Jobs may have been displaced from the cities to the M27 corridor.
- Urban South Hampshire urban areas show lower levels of high qualification employment that the rest of the South East and the UK

3 Prospects for recovery

Experian, reporting to SEEDA[36] earlier in 2010, set this in the wider context of the whole of the South East, looking at the importance of the creative and cultural sectors enterprise base (numbers of companies and employees). It reviewed the health of the sector in the context of recovery from recession stating that Experian's *"health check analysis indicates that the creative industries are in a positive position as the nation emerges from recession."*

- Architecture is performing well through the recession
- Software and Games performing well
- Film, video and publishing have been adversely affected.
- The creative industries will take longer to recover than previously forecast.
- The creative industries have been hit harder than other sectors in the South East economy. However, the SE sector is recovering better than the GB sector as a whole with a faster recovery in terms of employment expected.
- This growth will be underpinned by several key creative sub-sectors. Two sub-sectors, fashion and software, computer games and electronic publishing, will exceed the output growth rate of the sector as a whole for the period 2010-2020.

4 The hidden creative and cultural economy

Recent research[37] helps identify some additional dimensions of the creative and cultural economy, which the mainline statistics cannot easy show. DCMS and NESTA have identified that, in addition to any businesses

[35] PUSH Economic Development Evidence Base and Strategy Refresh, DTZ Draft Narrative Paper for Members Workshop, 25th May 2010

[36] *Creative Industries in the South East 2010,* Experian, 2010

[37] The research background to this is set out in Appendix 5 at the end of the report

reported through ONS (the basis of the Experian and CURS reports), there are:

- nearly as many creative and cultural jobs in other economic sectors occupied by people with creative and cultural skills as in the CCI sector itself[38]
- around 50% of all companies below the VAT threshold[39]
- self employment in the creative industries of around 27% - double the UK economy as a whole[40]

4.1 Creative occupations

NESTA estimate that the ratio of employment in cultural and creative businesses to those creatively occupied outside the cultural industries is 1:0.52[41] and DCMS estimate a higher ratio of 1:0.74[42]. Using these ratios the next table approximates the number of creatively occupied in Urban South Hampshire.

The Centre for Urban and Regional Studies estimates employment in creative businesses as

- 28,405 in the PUSH area
- 41,509 for the whole of the 10 PUSH districts.

Based on NESTA's research, the total number of creatively occupied across PUSH is estimated to be c 14-15,000 (21,500 for the whole of the 10 districts) providing a figure of total creative and cultural employment of approximately c43,000 jobs (000 (63,000 for the whole of the 10 districts) Using DCMS' ratio the estimates could be even higher.

4.2 The creative economy below the threshold

The IDBR dataset captures 2.1million VAT and PAYE registered enterprises/ organisations. However, due to disclosure from HM Revenue and Customs there is no accessible data to assess the contribution of non-VAT[43] enterprises/ organisations. The Small Business Service estimates[44] there are 4.3million enterprises in the UK, which indicates there are approximately 2.2million (51%) of non-VAT enterprises in the UK economy.

This figure is substantiated when comparing estimates of VAT and PAYE businesses/ organisations from ABI to the UK business universe (all businesses VAT and non VAT) across the South East: 388K to 803K, or 48%[45]. This indicates non-VAT businesses comprise 52% of the business

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38 *Beyond the creative industries: Mapping the creative economy in the United Kingdom,* NESTA, London Higgs P. Cunningham S. and Bakhshi H. (2008)

39 The Small Business Service estimates there are 4.3million enterprises in the UK, and approximately 2.2million (51%) of non-VAT enterprises in the UK economy www.sbs.gov.uk/smes

40 *Beyond the creative industries: Mapping the creative economy in the United Kingdom* as above

41 Beyond the Creative Industries: Mapping the creative economy in the United Kingdom (NESTA, Technical report; January 2008)

42 Table 3 from DCMS' Creative Industries Economic Estimates, Statistical Bulletin (January 2009)

43 Small business and organisations are required to register for VAT if the value of taxable supplies over 12 months or less exceeds £68,000.

44 www.sbs.gov.uk/smes

45 UK Business Universe data provided by Oxfordshire Business Link, June 2009

population. Views of key stakeholders collected during the consultation process concur that the cultural non-VAT sector will be substantial in size.

For purposes of understanding the scale of this aspect of the creative economy in Urban South Hampshire, we assume that non-VAT enterprises in the cultural sector are likely to comprise upwards of 50% of the total business universe.

The Centre for Urban and Regional Studies[46] estimates total creative VAT registered business numbers to be

- 4,635 in the PUSH area
- 7,409 for the whole of the 10 PUSH districts.

If the Non-VAT population is taken as 50% of all businesses, the total figure for registered VAT/ PAYE and non-VAT cultural businesses for the area is likely to be of the order of[47];

- 9,300 in the PUSH area

15,800 for the whole of the 10 PUSH districts.

4.3 Freelancers, part-timers and the self-employed

The sector also experiences high levels of part-time work and freelance activity. According to the Skillset 2006 Employment Census Study 27% of the Creative Media[48] sector are freelancers and over 20% of the Cultural and creative Sector within the remit of Cultural and creative Skills are freelancers[49].

Recent NESTA research found self-employment rates for the creative industries in the UK is as high as 27%, and for creative occupations, 28%. These rates are double those found in the UK economy as a whole (13%)[50]. The figures are taken from analysis of the Labour Force Survey but there is no indication whether the self-employed are VAT registered or not.

The project based nature of much of the work of some sections of the cultural sector, the arts and education in particular, means that a large number of freelancers are also employed on an ad hoc and temporary basis. Taking these freelancers into account will further boost the employment figures.

All of this has particular resonance for the current workspace review research because:

[46] Briefing Note – Creative Industries in The Partnership For Urban South Hampshire (Push) Area, Centre for Urban and Regional Studies, University of Birmingham April 2010
[47] Analysis hereafter will focus only on VAT/PAYE registered data.
[48] Creative Media comprises TV, film, radio, interactive media, animation, computer games, facilities, photo imaging and publishing.
[49] Creative and Cultural Skills covers: Advertising, Craft, Cultural Heritage, Design, Literature, Music, Performing Arts, Visual Arts but excludes film and broadcast media
[50] Higgs P. Cunningham S. and Bakhshi H. (2008) Beyond the creative industries: Mapping the creative economy in the United Kingdom, NESTA, London

- the brief identifies the retention of creative graduates in the sub region
- this cohort, year by year, will include those who may experience or choose self employment, part-time work and/or freelance activity
- local career opportunities for creative subject graduates is far wider than just the creative sector – retention strategies need to acknowledge this
- such graduate and other start-ups will predominantly consist of micro-businesses below the VAT threshold
- significant numbers of people in parts of the creative and cultural economy (visual artists, designer-makers, performers and others) operate at low levels of net income but can make an invaluable (though unfortunately undercounted and often undervalued) contribution to local prosperity, sense of place, local reputation and the quality of life in the wider community.

5 Contributing to the knowledge intensive economy

DPA's recent reports on the cultural and creative economy in Camden and Oxfordshire[51] showed the importance of:

- small scale practice, micro enterprise and self employment generating real commercial and other value to the economy
- people with creative and cultural qualifications, skills and work patterns working with and in HEIs, FEIs and other parts of education and public service, in commercial practice as well as in the CCI sector itself

Experience and feedback within the sector and the wider economy also demonstrate the integral role of some key parts of the creative and cultural sectors to the wider knowledge based economy, to innovation, technology and the wider business community.

The CCI Sector is highly skilled. According to Skillset in the creative media sector over half (56%) of the industry is educated to degree level and above with less than 0.5% having only a level 2 qualification. In other the creative and cultural sectors, CC Skills[52], note that 46% of the creative and cultural workforce is educated to Level 4 or above. Skillset, the sector skills agency for creative media, note similar levels of educational attainment among the workforce.

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[51] See for example Creative and Cultural Industries in Camden, DPA and URS for LB Camden 2009, and *The Economic Impact of the Cultural and Creative Industries in Oxfordshire,* DPA and URS for Oxford Inspires and others 2010

[52] Creative and Cultural Skills agency covers the following creative and cultural sectors: Advertising, Craft, Cultural Heritage, Design, Literature, Music, Performing Arts, Visual Arts but excludes film and broadcast media

Recent research from NESTA[53] reports that, across the UK, about 6% of all companies with more than 10 staff are high growth companies. Known as "gazelles", these companies have generated half the growth in employment over the last six years. Many of these companies are more than five years old: this is not just about start-ups. Data is neither reported below regional level nor specifically for the CCI sector. However, NESTA makes the point that creative sector businesses share this experience as part of the broader Finance and Business Services category, in which some 8% of the firms were gazelles.

[53] *Measuring Business Growth: High-growth firms and their contribution to employment in the UK* Michael Anyadike-Danes, Karen Bonner, Mark Hart and Colin Mason, NESTA 2009. NESTA's research period ran from 2002-2008

APPENDIX 5

The role of universities in regeneration

The following assessment is quoted from Economic Challenges and Cultural Regeneration in Four South East Coastal Towns commissioned via the Creative Foundation, Folkestone and funded by SEEDA in 209. This research was carried out by Fred Gray (University of Sussex) and David Powell (DPA).[54]

One increasingly explicit dimension of regeneration – and also a concern of this report - centres on education and, in particular, higher education. The contemporary success of Brighton and Bournemouth as coastal towns (although both also have significant problems of deprivation) is in part a product the higher education institutions in both places. Being at the coast for not two but thirty weeks of the year and, in the process, spending cumulatively large sums, students have become the new holidaymakers.[55]

For example, a recent Bournemouth University economic impact study indicates that the University helped increase local economic output by £172.5m and regional economic output by £240.8m in 2007, assisted in improving local income levels by more than £36.1M and supported the creation of some 1,055 full-time equivalent jobs throughout all sectors of the local economies. Of the £100m spend by students alone, 90 per cent was in the local area.[56] However, there may also be negative consequences, for example, on the local housing market. Three of the four case study coastal towns examined in this report have significant engagements with higher education albeit sometimes embryonic in form; the exception is Margate.

The role of universities in regeneration further enriches the urban change process.[57] Universities play a central role in the lives of their communities and of the local economies where they are situated. They do this as major employers, as landlords and developers, as a substantial part of local service and good supply chains. Students and staff contribute in a variety of ways to local communities, and business opportunities develop out of their core teaching and research roles.

Universities (and further education colleges too) are major contributors to the making of place, reputation and difference, key characteristics which

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[54] http://www.seeda.co.uk/_publications/Coastal_report_Nov09_dpa.pdf

[55] Research from Oxfordshire has identified how foreign language students spend twice as much per day as the average day visitor to the county. (Oxfordshire Economic Development Strategy 2006-2016 evidence insert, June 2007, Oxford Economic Partnership.)

[56] John Fletcher and Yeganeh Morakabati (2008) Bournemouth University Economic Impact Study 2007. The economic impact of Bournemouth University on the economies of Bournemouth, Christchurch and Poole and the South West Region.

[57] See for example *The Future Of Higher Education: Universities And Urban Regeneration,* Russell, DIUS 2008 and *The contributions of Universities to Economic and Social Regeneration in England's North West*, NWUA 2007

the coastal towns have been working hard to develop. Universities, their students and their academic and other staff also have significant social and cultural impacts on an area ranging from the retail and entertainment offer to the skill and leadership profile of a place. Although the process is under-researched and not well understood, many universities take a leading role in the development of the cultural and creative economy, and in urban regeneration practice.

In a recent study DPA produced the first Cultural Footprint[58] audit of its kind for the three universities in Canterbury (Canterbury Christ Church University, University of Kent and University College of the Creative Arts). Jointly commissioned with Arts Council England South East, in response to *Arts, Excellence and Enterprise*[59] its strategy for Higher Education, the audit sets out the resources and programmes through which the universities variously contribute to their locality and proposes some starting points for more effective joint working. This did not consider their impact in the context of city renewal or regeneration.

This research has identified important positive synergies between cultural regeneration programmes and higher education initiatives in coastal towns that hitherto have been often unacknowledged in strategic and policy terms. However in research terms this is an area which is under-explored.

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[58] http://www.dpa-ltd.co.uk/documents/canterbury_cfr.pdf
[59] http://www.artscouncil.org.uk/documents/publications/artsenterpriseexcellence_phpT0mNbm.pdf